GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:23
ANSWERED ON:26.02.2007
PRICE CONTROL ON IMPORTED FORMULATIONS
Ponnuswamy Shri E.

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether there is any price control on imported formulations;

(b) if so, the details thereof;

(c) the number of products which have been granted price approval for said formulation;

(d) whether some companies have flouted the Drug (Price Control) Order, 1995 (DPCO, 95) in case of finished formulations prices; and

(e) if so, the action taken against the companies in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI B.K. HANDIQUE)

(a) to (e): Under the provisions of the Drugs (Prices Control) Order, 1995, (DPCO`95) the prices of 74 bulk drugs (First Schedule of DPCO`95) and the formulations containing any of these Scheduled drugs are controlled. The Government / National Pharmaceuticals Pricing Authority (NPPA) fixes/ revises their prices from time to time as per formula provided under DPCO`95. Every manufacturer or importer shall carry into effect the price of a b ulk drug or a formulation, as the case may be, as fixed by the Government from time to time, within fifteen days from the date of notification in the Official Gazette or receipt of the order of the Government in this behalf by such manufacturer or importer.As per Para 7 of DPCO` 95 in the case of an imported formulation, the landed cost shall form the basis for fixing its price along with such margin to cover selling and distribution expenses including interest and importer`s profit which shall not exceed fifty percent of the landed cost.All formulations imported in finished form based on the 74 bulk drugs specified in the First Schedule of DPCO` 1995 are under price control. Prices of such formulations are fixed from time to time based on the applications received in Form-IV as per provisions of DPCO`95, from the respective importers / companies.
In the recent past, NPPA has fixed price of various imported formulations based on insulin, multivitamin, Methyal Prednisolone Sodium Succinate and Calcipotriol plus Betamethasone based on Form-IV applications received from the respective importer/company.Whenever it is found that any manufacturer / importer charging prices higher than the price fixed by the Government / NPPA, necessary action is initiated against the company.